UNITED STATES DEPARTMENT OF AGRICULTURE
U.S. Bureau of Agricultural Economics

Eight Months of Change

in

Farmers' Reactions to the War and Its Expected Effects on Agriculture

Part I: General Summary

(FOR ADMINISTRATIVE USE ONLY)

October 15, 1940

Division of Program Surveys

CONTENTS

INTRODUCTION

The Division of Program Surveys has turned out a number of studies dealing with farmers' reactions to various agricultural problems and programs. Studies of change, whether concerned with attitudes or behavior, can be interpreted with greater soundness and insight if they are related to a framework of other reactions taking place at the same time as well as experiences and views noted in earlier periods. This report, presenting some base-lines against which newly reported changes in reactions to the war and its possible effects on agriculture can be evaluated, is a first step toward providing much background information. A later report will present data on the subjects covered here, showing variations among crop regions, tenure levels, economic levels and other groupings.

SAMPLES

Results are based on samples of varying size and geographical coverage obtained between February 17 and September 9, 1940 and are presented for periods whose varying lengths were determined by important developments in foreign affairs. Further details appear in the appendix.

Part I -- War and Agriculture Prices

It should be borne in mind in reading the following charts that results for each period are represented by graph points at the end of the period. Thus, in Chart I the curves appear to begin on April 9 but the first points actually portray totals for the period February 19 to April 9.

Summary of Results

1. Farmers' expectations of prices for their products seemed to grow increasingly optimistic until the invasion of Holland on May 10. Then came a sharp deflation in hopes reaching a low point in early June with Italy's entrance into the war. Since then, the proportion expecting a decline in prices has dropped very substantially, the "uncertain--no change" group has grown sizeably and a slight resurgence of optimism has appeared among a small proportion of farmers. (See Charts 1 and 2)

2. During the entire period, the proportion who expected a rise in the prices of commodities bought by farmers was three or more times as great as the proportion anticipating an increase in the prices of their farm products. (See Charts 1 and 2)

3. In the opinion of those visited, the heaviest gainers from these price changes will be Industry and Business. It should be noted, however, that of late a relatively substantial number of interviewees have come to expect farmers to be among the chief beneficiaries. (See Chart 3)

CHART 1

EFFECT OF WAR ON AGRICULTURAL PRICES

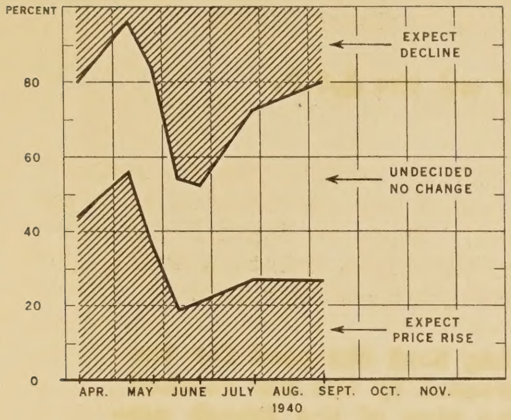


CHART 2

EXPECTED EFFECT OF WAR ON PRICES OF GOODS BOUGHT BY FARMERS

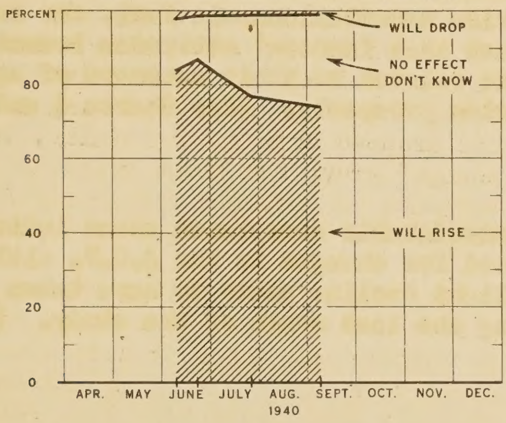
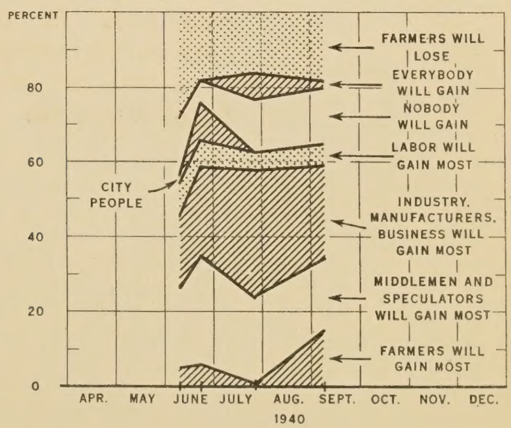


CHART 3

WHO WILL GAIN MOST FROM PRICE CHANGES CAUSED BY WAR ?



APR. 9 - GERMANY INVADES NORWAY MAY 10 - GERMANY INVADES LOW COUNTRIES
MAY 25 - 2 WEEKS AFTER DUTCH INVASION JUNE 10 - ITALY ENTERS WAR
JUNE 23 - FRENCH ASK ARMISTICE JULY 27 - HAVANA CONFERENCE
SEPT. 9 -

Part II - War and the A.C.P.

Summary of Results

1. The proportion feeling that the need for the A.C.P. has been increased by the war reached its high point at the time of the French surrender and has declined continuously, though slowly, since then. The high point just mentioned coincided with a low point in farmers' price expectations--in fact, our results suggest that farmers' attitudes toward the A.C.P. are related to their estimate of agricultural price prospects. (See Charts 4 and 6)

2. Considerable acceptance seems indicated of the need for changes in the A.C.P. although a slight decline seems to have taken place during the last month of the study. (See Chart 5)

CHART 4

WILL WAR INCREASE NEED FOR A. C. P.?

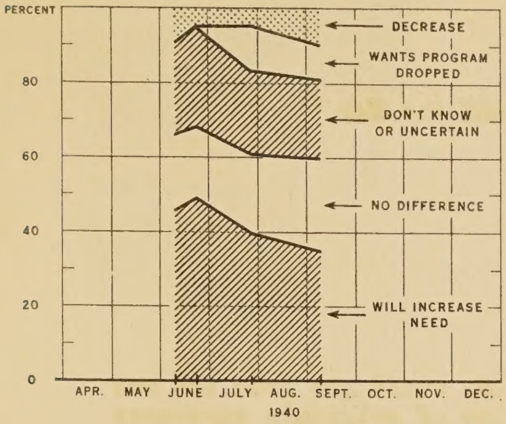
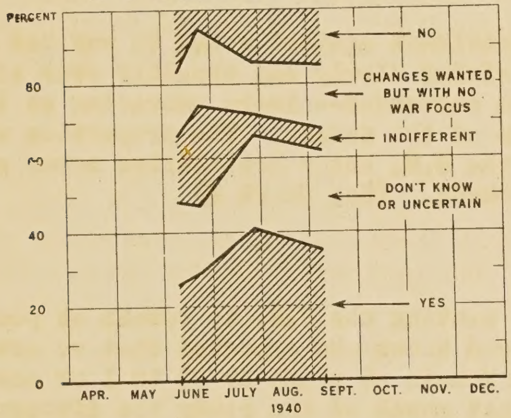


CHART 5

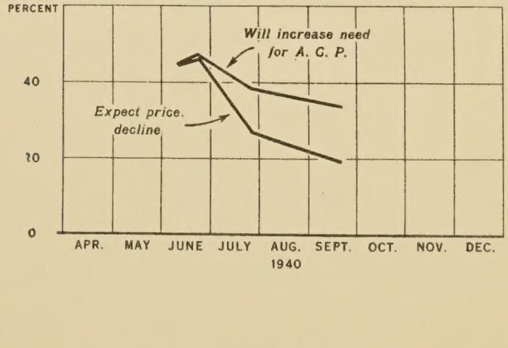
SHOULD ANY CHANGES BE MADE IN A. C. P. BECAUSE OF WAR?



JUNE 10 - ITALY ENTERS WAR   JUNE 23 - FRENCH ASK ARMISTICE
JULY 27 - HAVANA CONFERENCE   SEPT 9

CHART 6

RELATION PERCENT EXPECTING DECLINE IN AGRICULTURAL PRICES AND PERCENT FEELING WAR WILL INCREASE NEED FOR A. C. P.



Part III - U. S. and the War

Summary of Results

1. Expectations that the U.S. would get into the war reached a peak at the time of Belgium's surrender in late May and then receded sharply to a low point after the French surrender. Thereafter, it began rising once more. (See Chart 7)

2. But sentiment against going to war has apparently been rising slowly and steadily ever since the French surrender--always embracing at least two-thirds of the sample. The proportion willing to have the U.S. enter hostilities never exceeded one-fourth. (See Chart 8)

3. Those wanting the U.S. to remain at peace out-numbered those who expected that we actually would remain at peace by $2\frac{1}{2}$ to 1 or more. During the last month of the study the divergence between them seemed to be growing. (See Chart 9)

CHART 7

WILL U. S. GET INTO WAR ?

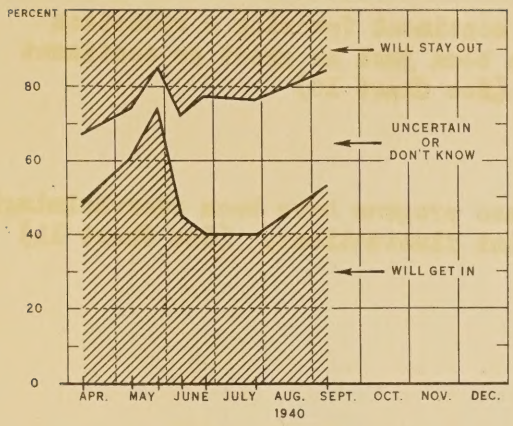


CHART 8

SHOULD U. S. GET INTO WAR?

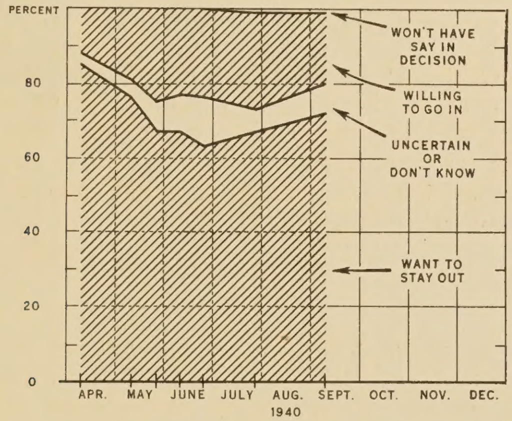
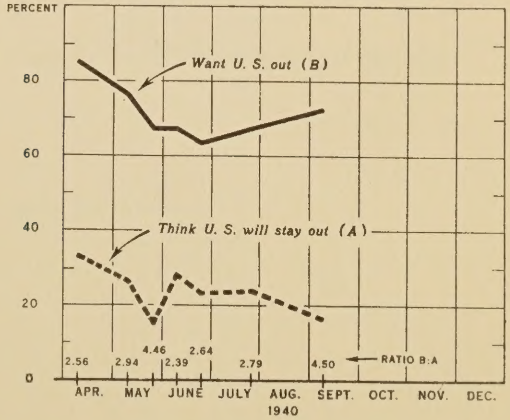


CHART 9

RATIO: THOSE WANTING U. S. TO STAY OUT TO THOSE THINKING U. S. WILL STAY OUT



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4. Since the surrender of France, sentiment favoring a reduction in aid to England seems to have been just as great as sentiment for an increase in such help. (See Chart 10)

5. Farmers' reactions to the defense program have been overwhelmingly favorable and without significant fluctuations. (See Chart 11)

CHART 10

ATTITUDE TOWARD HELPING ONE SIDE OR REMAINING NEUTRAL

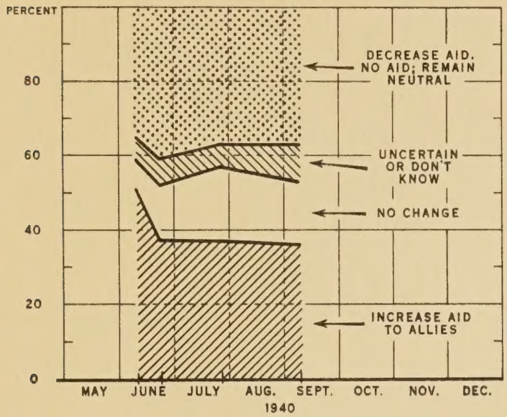
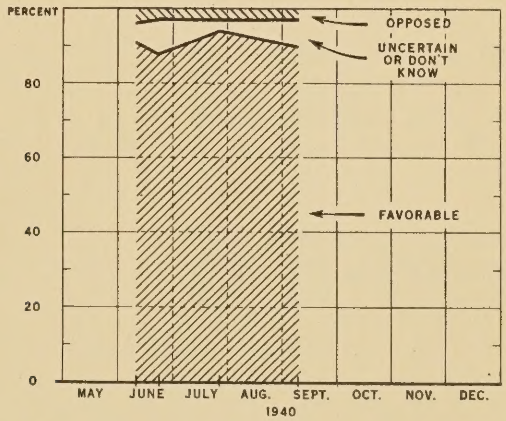


CHART 11

ATTITUDE TOWARD DEFENSE PROGRAM



JUNE 10 - ITALY ENTERS WAR — JUNE 23 - FRENCH ASK ARMISTICE
JULY 27 - HAVANA CONFERENCE — SEPT. 9

DETAILS OF SAMPLE

Period	Number of Interviews	States Covered
February 19 - April 9	584	N.H., Vt., Mass., Conn., R.I., Pa., Ill., Mo., Iowa, Wis., Minn., N.D., S.D., Nebr., Colo., Kans., Okla., Ark., La., Miss., Ala., Ga., Tenn., N.C.
April 9 - May 10	325	
May 10 - May 25	246	N.Y., Ind., Minn., N.D., Nebr., Tex., S.C., N.C.
May 25 - June 10	317	N.Y., Pa., Iowa, Mo., Wis., Minn., N.D., S.D., Okla., Tex., Ga.
June 10 - June 23	159	Pa., Ill., Iowa, Wis., N.D., Okla., Tex., Miss.
June 23 - July 27	529	Vt., Maine, Mass., Mich., Iowa, Nebr., Mont., Idaho, Wash., Okla., Ark., Miss., Ala., Ga., Tenn., W. Va., Ky.
July 27 - September 9	708	N.Y., Pa., Ohio, Ind., Ill., Iowa, Wis., Idaho, Oreg., Ala., S.C., N.C.